



OFFICE OF THE MISSOURI STATE TREASURER
NANCY FARMER, TREASURER

**SECURITIES ACCEPTABLE AS COLLATERAL
TO SECURE STATE DEPOSITS**

The securities described below are hereby designated as acceptable collateral for state funds on deposit, as required by Section 30.270 RSMo (as amended). The State Treasurer reserves the right to refuse to accept as collateral any security or securities on this list, or to request the submission of an alternate acceptable security or securities, if, in the sole discretion of the State Treasurer, the State Treasurer determines that such action will provide greater security for the deposit of state funds.

The securities described below are designated as acceptable collateral for the deposit of state funds. The listing is not intended to serve as, and should not be considered as a listing of legally authorized investment instruments.

1. Marketable Treasury securities of the United States.
2. The following debt securities of the State of Missouri and its state authorities:
 - a. General obligation debt securities issued by the State of Missouri.
 - b. Revenue bonds issued by the Missouri Board of Public Buildings or Department of Natural Resources.
 - c. Revenue bonds of the Missouri Housing Development Commission, Missouri Health and Education Facilities Authority, Missouri Higher Education Loan Authority, Missouri Environmental Improvement and Energy Resources Authority, Missouri Agricultural and Small Business Development Authority, Missouri Industrial Development Board, or State-owned educational institutions, so long as any of the above are rated "A" or better by Moody's or Standard & Poors (M1 on notes), or are secured by a federal agency guarantee (directly or through guaranteed loans).
3. General obligation bonds of any city in this state having a population of not less than two thousand.

4. General obligation bonds of any county of this state.
5. General obligation bonds, approved and registered, of any school district situated in this state.
6. General obligation bonds, approved and registered, or any special road district in this state.
7. General obligation state bonds of any of the 50 states.
8. Debt securities of the Federal Farm Credit System.
9. Debt securities of the Federal Home Loan Banks (FHLB) (excluding Zeros).
10. Other debt securities guaranteed by the United States or its agencies or instrumentality's, as follows:
 - a. Debt securities of the Federal National Mortgage Association (FNMA).
 - b. Debt securities of the Student Loan Marketing Association (SLMA).
 - c. Debt securities of the Government National Mortgage Association (GNMA).
 - d. Debt securities of the Federal Home Loan Mortgage Corporation (FHLMC) (excluding FHLMC Mortgage Cash Flow Obligations).
 - e. Guaranteed Loan Pool Certificates of the Small Business Administration (SBA).
 - f. Federal Home Administration insured notes (CBOs).
 - g. Public housing notes and bonds ("project notes and bonds") issued by public housing agencies, guaranteed as to the payment of principal and interest by the government of the United States or any agency or in instrumentality thereof.
 - h. Debt securities of the Resolution Funding Corporation (REFCORP).

All pledges of pass-through mortgage-backed securities will be valued at 90% of market value. SBA pool certificates and collateralized mortgage obligations will be valued at 75% of market value. The only Collateralized Mortgage Obligations (CMO) the Treasurer's Office will accept are Planned Amortization Class (PAC) Collateralized Mortgage Obligations that have a weighted average life not to exceed three years and pass the FFIEC High Risk Stress Test. No Strips or Zeros are acceptable.

11. Bonds of any political subdivision established under the provision of Section 30, Article VI, of the Constitution of Missouri.
12. Tax anticipation notes issued by any county of class one in Missouri.
13. Surety bonds issued by an insurance company licensed under the laws of the State of Missouri whose claims-paying ability is rated in the highest category by Duff & Phelps, A.M. Best, Standard & Poors, or Moody's. The face amount of such surety bond shall be at least equal to the portion of the deposit to be secured by the surety bond.
14. Irrevocable standby Letter of Credit issued by a Federal Home Loan Bank possessing the highest rating issued by at least one nationally recognized statistical rating agency.
15. Out-of-state municipal bonds, provided such bonds are rated in the highest category by at least one nationally recognized statistical rating agency.

Unless noted otherwise, the market value of collateral must be 100% or greater of the amount of state time deposits (including interest to maturity) plus demand deposits with the depository, less the amount, if any, which is insured by the Federal Deposit Insurance Corporation, or the National Credit Unions Share Insurance Fund. All securities pledged as collateral by the depository will be held by the Missouri State Treasurer, in a segregated account. All collateral pledged must be delivered in bearer form, book-entry form, or in the case of fully registered certificates, placed into the nominee name of the custodian.

Effective Date: September 26, 2003